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Message Text

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PAGE 01 COPENH 02722 011749Z

53
ACTION EUR-25

INFO OCT-01 ISO-00 NEA-10 AF-10 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11

FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01

OMB-01 FMC-04 DOTE-00 INT-08 SCEM-02 DRC-01 /233 W
---------- 006224
R 011610Z NOV 73
FM AMEMBASSY COPENHAGEN
TO SECSTATE WASHDC 7980
INFO AMEMBASSY HELSINKI
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM
USMISSION EC BRUSSELS
USMISSION OECD PARIS
AMEMBASSY THE HAGUE

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E.O. 11652 N/A
TAGS: ENGR DA
SUBJ: DANISH REACTIONS TO CUTBACKS IN PETROLEUM SUPPLIES

REF: COPENHAGEN 2350

1. PETROLEUMINDUSTRY SOURCE TELL US THAT HEATING OIL SITUATION
COULD BECOME CRITICAL IN DENMARK IF WINTER IS MORE SEVERE THAN NORMAL
SUPPLY PROBLEM HAS BEEN COMPOUNDED BY ARAB EMBARGO OF NETHERLANDS
SINCE ALMOST ALL CRUDE DESTINED FOR DENMARK COMES FROM MIDDLE
EAST AND IS TRANS-SHIPPED AT ROTTERDAM TO SMALLER
(50-60,000 TON) TANKERS. CUT OFF AT ROTTERDAM SUPPLIES WOULD REQUIRE
AD HOC ARRANGEMENTS FOR TRANS-SHIPMENTS FROM NORWEGIANOR BRITISHPORTS
WITH ENSUING DELAYS AND HIGHER COSTS.
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2. DANISH GOVT HAS FINALLY BEGUN TO TAKE SERIOUS NOTE OF PETROLEUM SUPPLY SITUATION AND HAS TAKEN SERIES OF ACTIONS, AND DEVELOPED SEVERAL CONTINGENCIES, THE MOST IMPORTANT OF WHICH ARE:
(A) WAIVER OF EXISTING PRICE CONTROL REGULATIONS TO PERMIT 30-40 PERCENT INCREASE IN PRICE OF ALL OIL PRODUCTS EFFECTIVE NOVEMBER 1;
(B) DELAY IN IMPLEMENTING NEW MAXIMUM SULPHUR CONTENT RE-GULATIONS;
(C) PLACING ALL OIL PRODUCT EXPORTS TO COUNTRIES OTHER THAN EC UNDER LICENSING (WITH ASSURANCES THAT EXPORTS TO TRADITIONAL MARKETS, E.G; SWEDEN, NORWAY, WOULD BE FREELY LICENSED); (D) STARTING VO-LUNTARY ENERGY SAVING CAMPAIGN; AND (E) PREPARING FOR RATIONING MEASURES SHOULD THEY BECOME NECESSARY.
3. PRICE INCREASES WILL KEEP HARD PRESSED INDEPENDENTS (SUPPLYING ABOUT 10-15 PERCENT OF MARKET) ALIV AND PROVIDE HEALTHY PROFIT INCREASE FOR THREE MAJORS (ESSO, GULF AND SHELL) WHO HAVE REFINING FACILITIES IN DENMARK AND PROVIDE ALMOST HALF OF TOTAL CONSUMPTION. MAJORS, WHO HAVE HAD PARTICULARLY HARD SLEDDING (ESSO 10-YEAR AVERAGE ALLEGEDLY IS ONE PERCENT RETURN ONINVEST-MENT), ARE PLEASED WITH WINDFALL BUT ALSO CONCERNED THIS WILL OPEN THEM TO PROFITEERING CHARGES FROM THOSE DANES WHO ARE IDEOLOGICALLY UNSYMPATHETIC TO MULTINATIONALS.
CROWE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, SUPPLIES, IMPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Office: ACTION EUR
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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